





SOUTH



# *Executive* SUMMARY

Unbroken freehold parade with over 75 metre frontage on a 0.23 acre site

The property forms the prime section of the Notting Hill Gate retail pitch and comprises 9 double and single fronted retail units together with office accommodation on two upper levels totalling 25,534 sq ft

Notting Hill Gate forms the arterial thoroughfare that links the world renowned Kensington, Holland Park, Notting Hill and Hillgate Villages

These districts comprise London's most exclusive and high value housing and support a diverse and high quality cultural and amenity base

Royal Borough of Kensington & Chelsea has the highest average property prices in the United Kingdom

70% of the borough by area comprise Conservation Areas and new development opportunities are highly limited

Current overall rent of £1,091,745 with an average unexpired lease term of 4 years

Retail held under 9 leases to 8 tenants with a weighted unexpired term of 4.1 years

Offices leased to a single tenant at an average overall rent reflecting only £22.50 per sq ft

The Council has identified the subject property in a special Supplementary Planning Document designated to encourage development and an indicative scheme to add 5,274 sq ft has been outlined

This opportunity provides immediate, medium and long term asset management initiatives that have the potential to add significant value

Offers in excess of **£33 million** are sought for the freehold interest, subject to contract. A purchase at this level would reflect a net initial yield of 3.13% and an equivalent yield of 4.16% after the deduction of purchasers costs of 5.80%

The freeholder will also consider a sale of the Jersey Property Unit Trust that holds the assets





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47-69 NOTTING HILL GATE REPRESENTS A RARE OPPORTUNITY TO ACQUIRE A PRIME FREEHOLD MIXED USE ASSET WITH SIGNIFICANT DEVELOPMENT POTENTIAL



## LOCATION

AS WELL AS BEING ONE OF THE MOST DESIRABLE PLACES TO LIVE OR WORK THE BOROUGH IS A LEADING TOURIST DESTINATION

Notting Hill Gate forms part of the main arterial route between Holland Park and Mayfair, whilst also forming the border to both the world renowned London Villages of Notting Hill and Kensington.

The Royal Borough of Kensington and Chelsea is one of the most exclusive boroughs in London. The borough is internationally renowned for some of the finest hotels, restaurants and residences in the world. Occupying an area of only 12 square miles, it is the smallest of the London boroughs but is home to many of London's most influential and affluent residents.

The area is well known for its affluence. The borough has the highest average house prices in the UK and has recorded the highest earnings per household. It is also the country's most populous local authority, with more than 13,000 people per square kilometre occupying some of the most valuable real estate in the world.

As well as being one of the most desirable places to live and work the borough is a leading tourist destination. Visitors are a significant driver of the local economy, with over £3 billion spent by non-residents. The Royal Borough is home to London's 'Museum Quarter'. The Natural History, Science and Victoria & Albert Museums are all in South

Kensington, where Kensington Palace and the culturally significant Serpentine Galleries can also be found. Aside from the annual Serpentine Pavilion, visitors and residents will also soon be welcoming the Design Museum to Kensington & Chelsea in Holland Park in 2016.

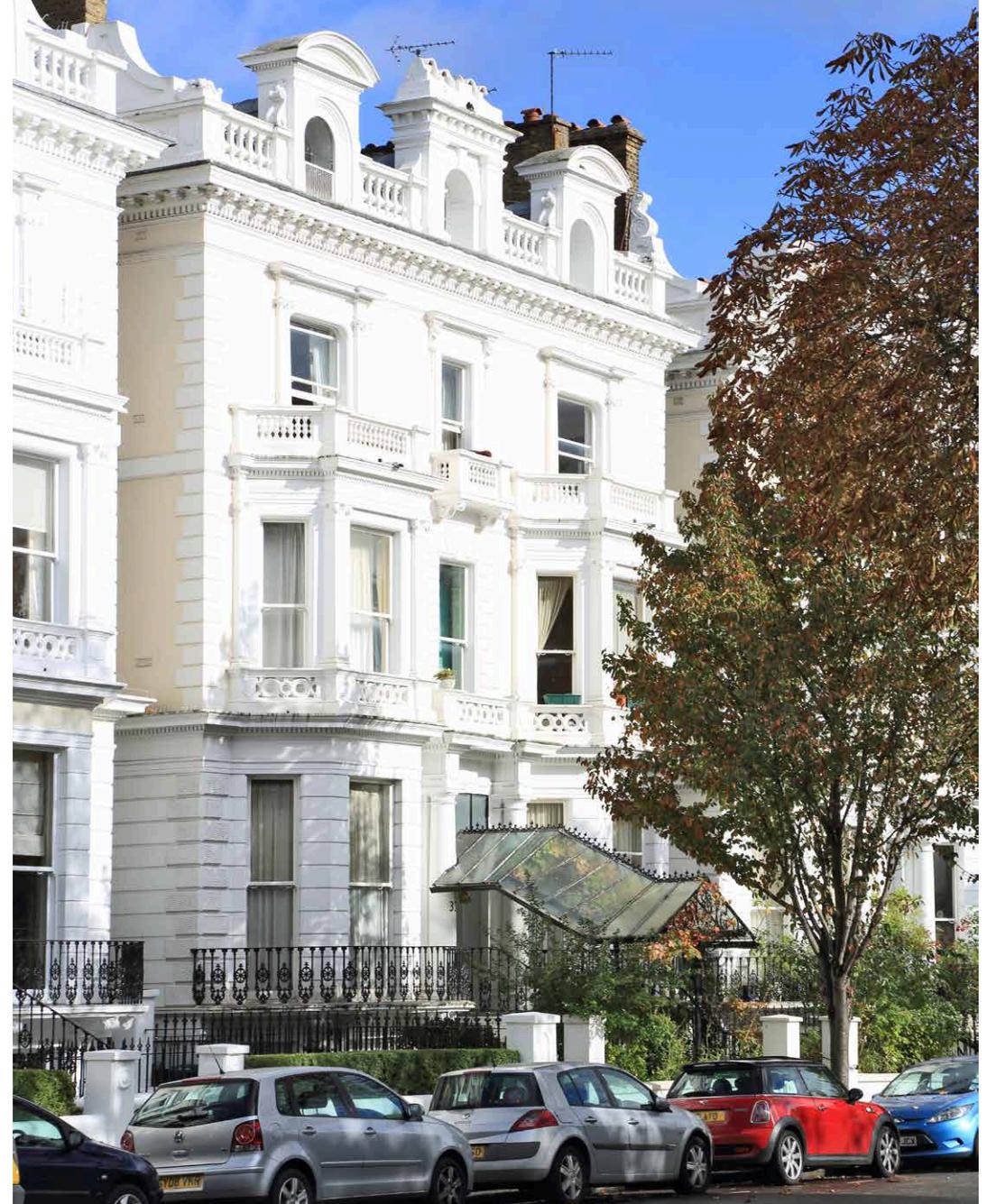
Annual events such as the Chelsea Flower Show, the Notting Hill Carnival and the open air Opera in Holland Park reflect the broad variety of the boroughs diverse social appeal.

A combination of local wealth and both domestic and international tourist appeal ensures the local environment commands high levels of retail, restaurant and leisure amenity.

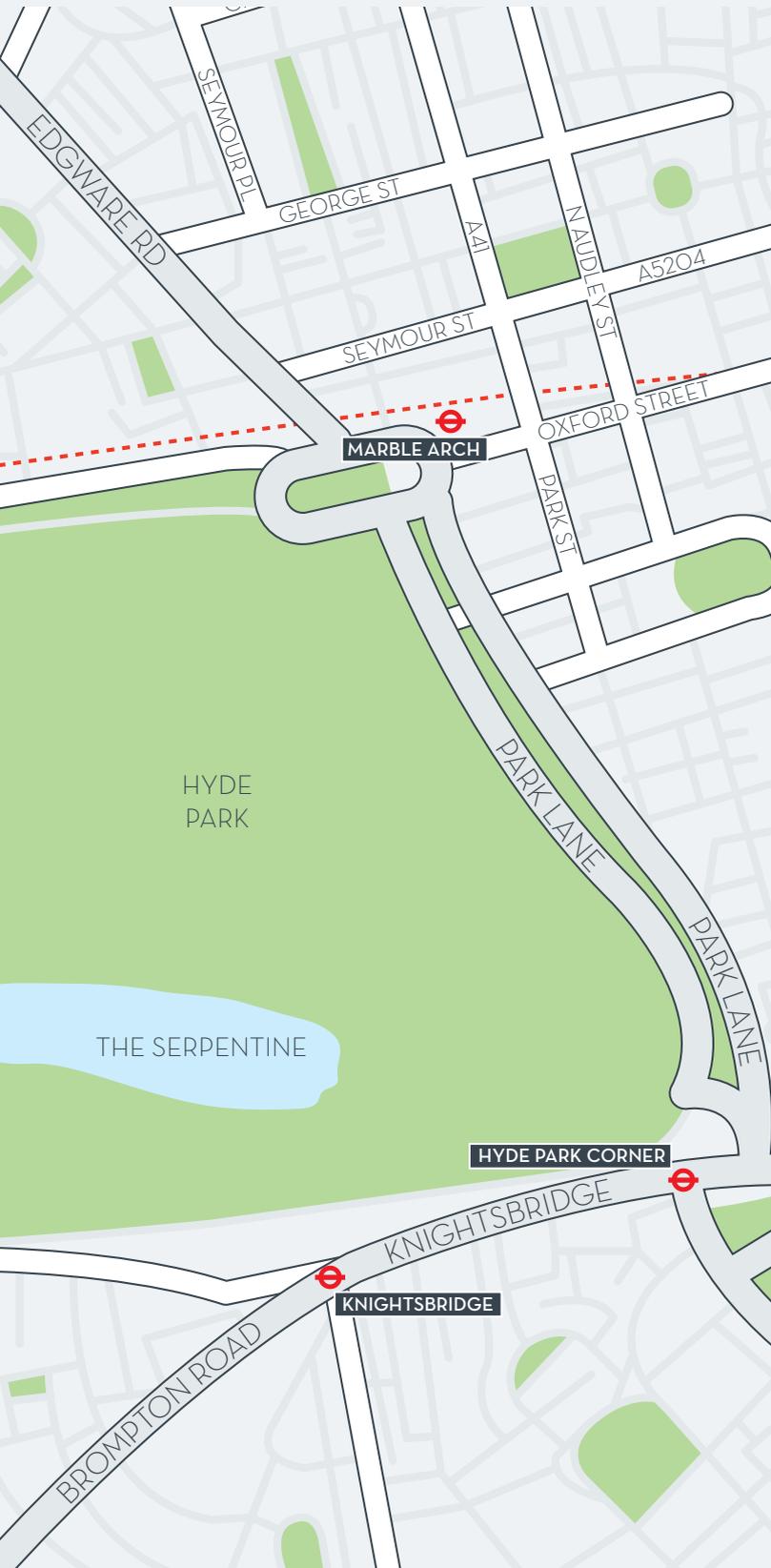


The Royal Borough is home to some of the world's most renowned and exclusive shopping districts, with the iconic Portobello Road in the North and Knightsbridge to the south of Notting Hill Gate. The area also supports a wealth of small stores and unique merchants, adding to the character and village feel. These range from specialist antiques shops on Kensington Church Street, farmers market on Kensington Place, the chic boutiques on Westbourne Grove and the high street retail units along Notting Hill Gate.

Excellent communications, the rich cultural village environment and high quality retail offer have attracted a loyal and expanding business community. Approximately 18,000 businesses are based in the Royal Borough and some 120,000 people are employed across all business types with Business Services, Hospitality, Real Estate, Medical, and Personal Services being the most significant employment sectors.







Not to scale - for identification purposes only

# Connectivity

Notting Hill Gate Underground provides excellent access to the rest of London via Central, District and Circle Line Underground services. The station which caters to 17 million users a year has an entrance and exit point immediately in front of the Property.

The station is well connected within ten minutes to the new Crossrail station currently under construction at Bond Street (Jubilee and Central lines) and Paddington. This exciting new project, due to open in 2018, will provide access to Heathrow Airport in 33 minutes and Canary Wharf in just 12 minutes. The property is also situated less than a ten minute walk from Holland Park Tube station (Central line).

As a part of the strategic road network the Property sits on a main north/south and east/west axis with frequent bus connections to Marble Arch, Kensington, Knightsbridge, Shepherd's Bush and Ladbrooke Grove via Notting Hill Gate, Holland Park Avenue, Pembridge Road & Kensington Church Street.

Paddington Station is situated just over a mile away, and provides direct access to national overground train lines and the Heathrow Express. In addition, numerous bus routes pass along Notting Hill Gate and Kensington Church Street.

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NOTTING HILL GATE UNDERGROUND PROVIDES EXCELLENT ACCESS TO THE REST OF LONDON VIA CENTRAL, DISTRICT AND CIRCLE LINE UNDERGROUND SERVICES AND SERVES OVER 17 MILLION PASSENGERS EACH YEAR



*Fig 1*  
PRET A MANGER, EAT & BOOTS  
61-67 NOTTING HILL GATE

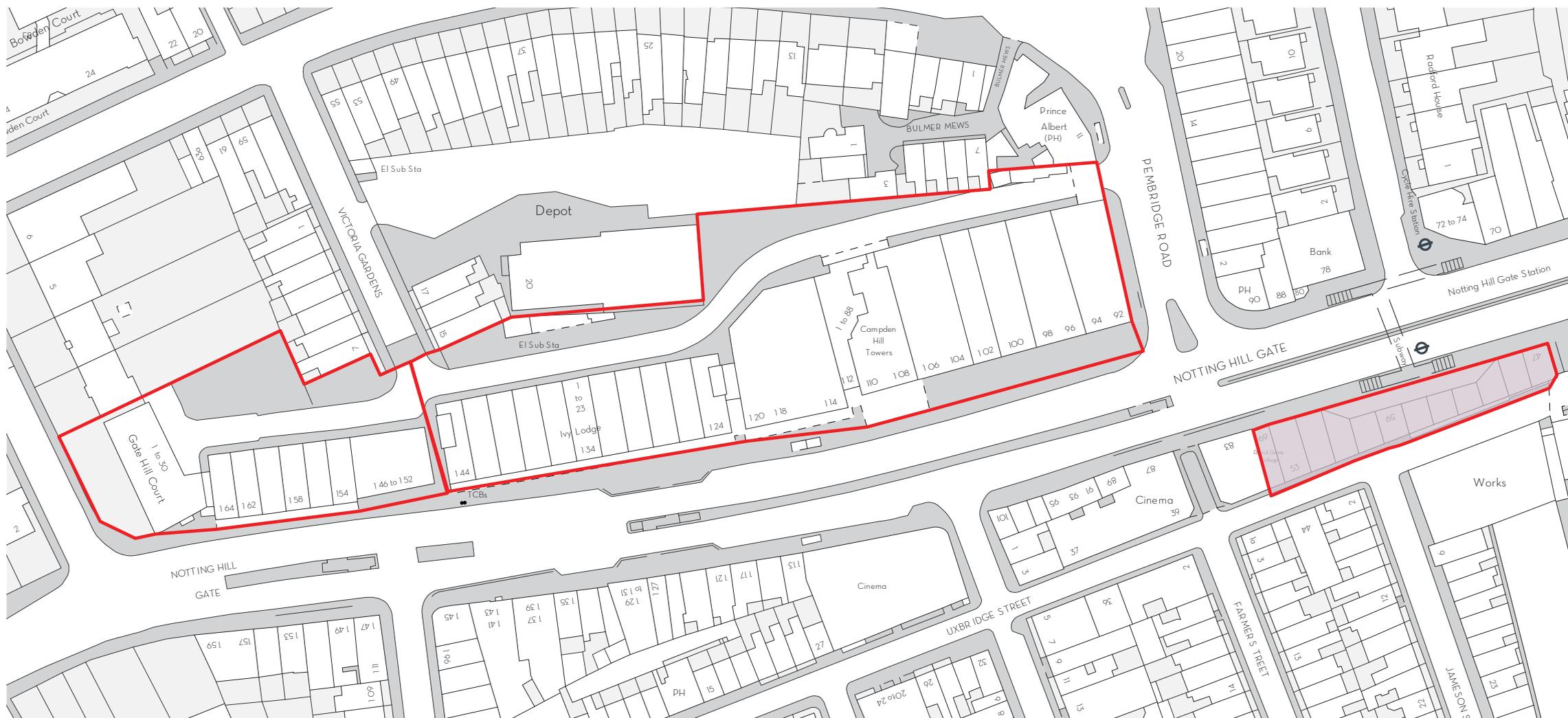


*Fig 2*  
LOCAL TRANSPORT  
AMENITY

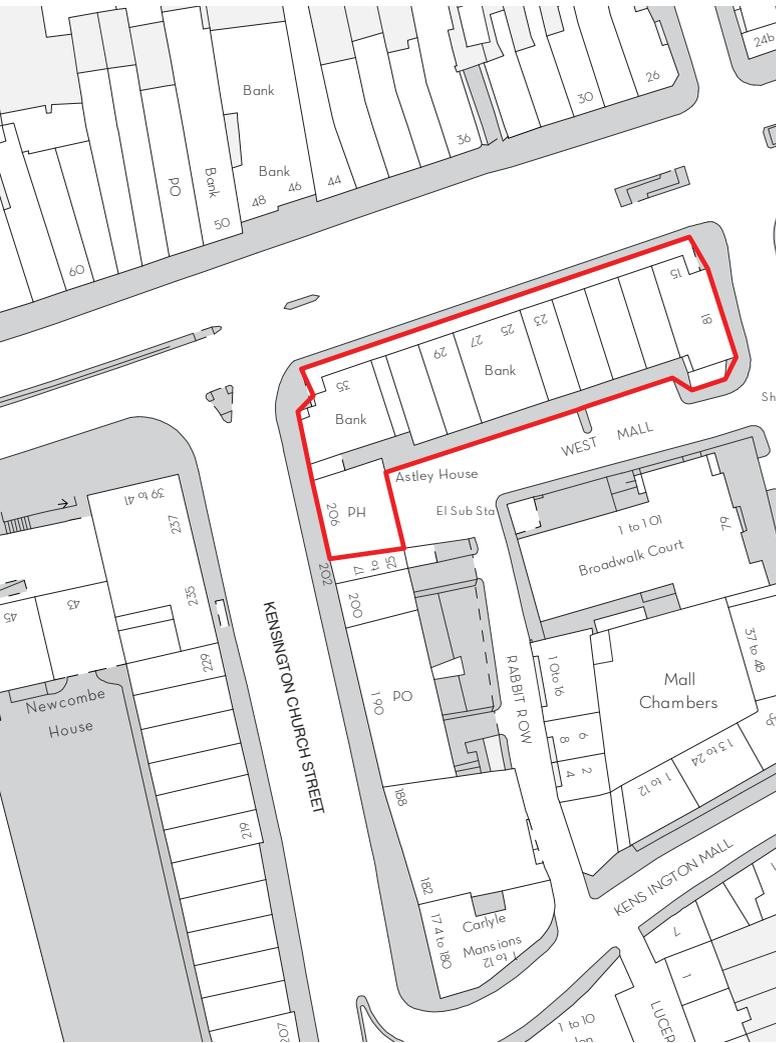
*Fig 3*  
NOTTING HILL GATE  
IS A MAJOR BUS  
INTERCHANGE

*Fig 4*  
TUBE STATION SITS  
IMMEDIATELY IN FRONT  
OF THE PROPERTY





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## SITUATION

David Game House, 47-69 Notting Hill Gate occupies a prominent freehold site on the south side of this strategic east to west link immediately adjacent to the Notting Hill Gate Underground station.

The Notting Hill Gate retail market forms a 750 metre pitch on both north and south sides of the street and is underpinned by the Underground Station. This provides access to the Central, District and Circle Lines and serves over 17 million users a year.

Large sections of the street, including the subject property, were redeveloped in the late 1950s to provide mixed use properties and as a consequence retail is functionally arranged across well proportioned units. Local retail demand has also encouraged uses to expand into connecting streets, notably Kensington Church Street to the south and Pembridge Road, and these provide notable secondary pitches to the main retailing destination.

Retailing at Notting Hill Gate comprises around 100 units and is anchored by three food retailers Tesco, Marks & Spencer and Waitrose. Other key retailers include Boots, Recipease and Pret a Manger. Local retail draws its catchment from Notting Hill, Kensington, Hillgate Village and Holland Park. These are all highly affluent areas comprising some of London's highest value properties arranged near to public and private parks and gardens.

Non-sales functions are complemented by the Gate Club, Coronet Cinema and the Gate Theatre, which provides further diversity and amenity to this culturally significant area.

Notting Hill is a popular location for office occupiers as it offers excellent accessibility, a wide ranging retail offer and an attractive rental discount to the West End. Due to Kensington and Chelsea's tight planning controls supply remains constrained, with overall demand outstripping supply. Good quality offices are a rare commodity with few buildings offering the type and specification of accommodation required by tenants.

THE 0.23 ACRE SITE SITS IMMEDIATELY ADJACENT TO NOTTING HILL GATE UNDERGROUND STATION AND PROVIDES A 75 METRE FRONTAGE





DAVID GAME  
HOUSE

EAT.

★ T A MANGER ★

★ PRET MANGER ★

COLLEGE

DAVID GAME  
HOUSE



# Description

47-69 NOTTING HILL GATE IS A 1960S MIXED USE OFFICE AND RETAIL PROPERTY OF 25,534 SQ FT HIGHLY SUITED FOR EXTENSION AND REDEVELOPMENT

47-69 Notting Hill Gate, also known as David Game House, comprises a prominent island site of 0.23 acres on the southern side of Notting Hill Gate with a principle frontage 75 metres. The western boundary is defined by Hobson House. To the east lies an area of public realm in front of Newcombe House.

The holding consists a total of 25,534 sq ft and comprises an unbroken parade of 9 retail units at ground and first floors, with offices above.

The property is believed to have been constructed in the early 1960s. The principle construction is of reinforced concrete frames with concrete floors and roofs. Walls are for the most part masonry with a variety of finishes. Windows are single glazed with galvanised steel frames.

## Retail - 47-67 Notting Hill Gate

Retail premises are located at numbers 47-67 Notting Hill Gate with the parade consisting of 9 double and single fronted units totalling 11,012 sq ft. These are generally provided with ground sales and first floor ancillary retail. The units benefit from prime frontage, clear glazed facades and well configured space.

Each of the retail units are in A1 use and are serviced from the rear.

## Offices - 69 Notting Hill Gate

Office accommodation within the property is provided above the retail and is accessed from a dedicated entrance at 69 Notting Hill Gate. It comprises two floors of well configured office space totalling 14,522 sq ft.

The offices are used as a language school and the tenant benefits from a personal educational D2 use which reverts to offices on expiry of the lease.

The offices benefit from the following specification:

- 12 person passenger lift serving all floors
- Comfort cooling
- Suspended ceilings
- Male and female WCs on each floor
- Functional office floorplate.

# Stacking PLAN

RETAIL   
OFFICE 

3rd Floor	David Game College									
2nd Floor	David Game College									
1st Floor	Crispins Food & Wine	Crispins Food & Wine	Caffe Nero	Calder Chemist	Crussh	Boots the Chemist	Eat	Pret a Manger	Pret a Manger	Office Entrance
Ground	Frae Frozen Yogurt	Crispins Food & Wine	Caffe Nero	Calder Chemist	Crussh	Boots the Chemist	Eat	Pret a Manger	Pret a Manger	Office Entrance
	47 Notting Hill Gate	49-51 Notting Hill Gate	53 Notting Hill Gate	55-57 Notting Hill Gate	59 Notting Hill Gate	61 Notting Hill Gate	63 Notting Hill Gate	65 Notting Hill Gate	67 Notting Hill Gate	69 Notting Hill Gate





*Fig 1*  
NOTTING HILL GATE  
TUBE ENTRANCE

## TENANCY SCHEDULE

Address	Tenant	Lease Start	Lease Expiry	Next Review	Review Pattern	Break Date	Rent	Rent ITZA / PSF
<b>Retail</b>								
47 Notting Hill Gate	Frae NHG Ltd	14/06/2010	13/06/2015	-	-	Rolling	£60,000	£147.00
49/51 Notting Hill Gate	Bipin Chandra Chaturbhai Patel	25/12/1991	24/12/2016	-	-	-	£123,500	£158.00
53 Notting Hill Gate	Nero Holdings Ltd	25/03/1993	24/03/2018	-	-	-	£51,250	£158.00
55/57 Notting Hill Gate	Mahesh Amin	30/05/2007	29/05/2017	-	-	-	£117,500	£158.00
59 Notting Hill Gate	Crussh (Notting Hill) Ltd	18/12/2007	16/12/2022	17/12/2017	5 yearly	-	£65,000	£169.00
61 Notting Hill Gate	Boots UK Ltd	03/01/2014	02/01/2019	-	-	-	£75,000	£202.00
63 Notting Hill Gate	Eat Limited	04/07/2007	03/07/2022	04/07/2017	5 yearly	-	£80,000	£180.00
65 Notting Hill Gate	Pret a Manger (Europe) Ltd	01/11/2000	24/12/2020	25/12/2015	5 yearly	-	£84,750	£158.00
67 Notting Hill Gate	Pret a Manger (Europe) Ltd	25/12/2004	24/12/2019	-	5 yearly	-	£108,000	£210.00
<b>Retail Sub Total</b>							<b>£765,000</b>	
<b>Office</b>								
69 Notting Hill Gate	David Game	25/12/2013	24/12/2018	-	-	25/12/2016	£326,745	£22.50
<b>Office Sub Total</b>							<b>£326,745</b>	
<b>Total</b>							<b>£1,091,745</b>	

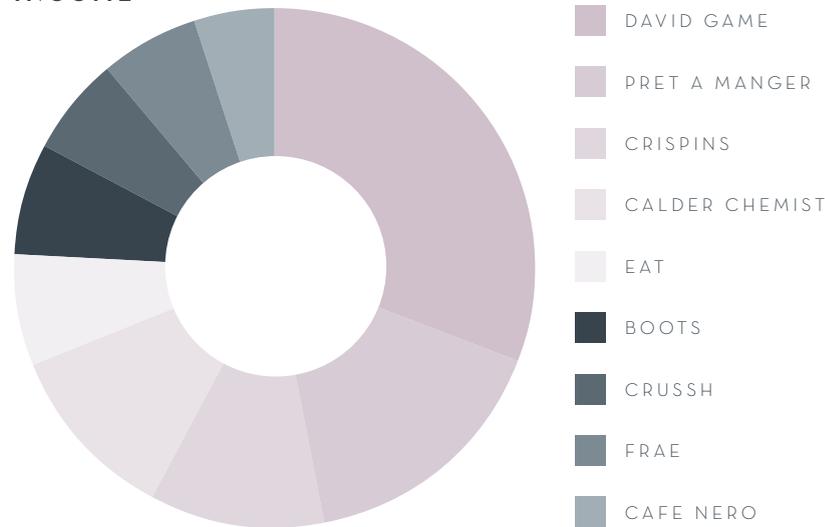
Rental Value	ERV ITZA / PSF	ITZA	GF Total	FF Total	Total NIA	1954 Act Protected	Comments
£85,000	£215.00	438	488	-	488	No	Rolling mutual break on four months notice. Landlord pays a reducing penalty based on tenants fitting out cost if exercises break option.
£170,000	£215.00	779.50	931	1,214	2,145	Yes	Trades as Crispins. Includes 1st floor of 47 Notting Hill Gate.
£70,000	£215.00	328	328	538	866	Yes	-
£160,000	£215.00	747	757	1,321	2,078	Yes	Trades as Calder Chemist.
£85,000	£215.00	395	414	586	1,000	No	-
£80,000	£215.00	368	418	601	1,019	No	-
£95,000	£215.00	445	518	661	1,179	No	-
£115,000	£215.00	517	659	672	1,331	Yes	-
£110,000	£215.00	528	698	208	906	Yes	-
<b>£970,000</b>		<b>4,545</b>			<b>11,012</b>		
£510,000	£35.00	-	-	-	14,522	No	Fixed increase to £326,745 pax (£22.50 psf) on 25 March 2015. Lease subject to schedule of condition.
<b>£510,000</b>					<b>14,522</b>		-
<b>£1,480,000</b>					<b>25,534</b>		

# Income ANALYSIS

More than 30% of the income from the property is derived from the office accommodation let to the David Game College. The proportion of income within the block by is shown below:

David Game	29.9%
Pret a Manger	17.7%
Crispins	11.3%
Calder Chemist	11.8%
Eat	7.33%

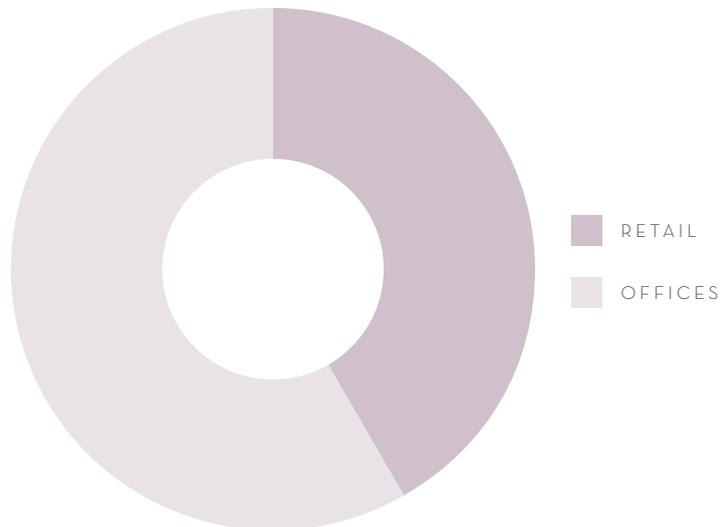
TENANTS BY INCOME



All tenancies are held on effectively full repairing and insuring terms, with a weighted average unexpired term summarised as below:

Use	Unexpired Term (yrs)	Unexpired Term Certain (yrs)
Retail	4.1	4.1
Office	3.9	1.9
<b>Overall</b>	<b>4.0</b>	<b>3.4</b>

USE BY AREA



LEASED TO 9 DIFFERENT TENANTS  
THE PROPERTY OFFERS A DIVERSE  
INCOME PROFILE

# COVENANT

Address	Tenant	Tangible Net Worth	Turnover (Most recent Year)	D&B Rating	Comment
47 Notting Hill Gate	FRAE NHG Ltd	£15,787	-	G3	FRAE frozen yogurt was established around 2009 and now has six units throughout London.
49/51 Notting Hill Gate	BIPIN CHANDRA CHATURBHAI PATEL	-	-	-	Crispins is a local shop which has been in occupation since 1991.
53 Notting Hill Gate	NERO HOLDINGS LTD	£144.68 M	£215.50 M	5A1	Caffè Nero is a European style coffee shop chain with its headquarters in London. It was founded in 1990 and the company runs more than 600 shops.
55/57 Notting Hill Gate	MAHESH AMIN	-	-	-	Independant Chemists who serve the local area.
59 Notting Hill Gate	CRUSSH (NOTTING HILL) LTD	£1	-	H2	Founded in 1998 Crushh is a health food shop offering juices, smoothies, salads and soups.
61 Notting Hill Gate	BOOTS UK LTD	£430.00 M	£6,204 M	5A1	Established in 1849 Boots has become one of the best known national high street retailers.
63 Notting Hill Gate	EAT LTD	£12.83 M	£93.60 M	3A2	EAT is a chain of sandwich shops with over 110 branches in the UK, the majority in London. The first shop was opened in October 1996.
65-67 Notting Hill Gate	PRET A MANGER (EUROPE) LTD	£221.87 M	£404.14 M	5A1	Pret was opened in London in 1986 and there are now over 330 Pret shops worldwide, most of which are in the UK.
69 Notting Hill Gate	DAVID GAME	Undisclosed	Undisclosed	Undisclosed	Established in 1974, David Game is an independent college.



*Fig 1*  
PRET A MANGER  
65-67 NOTTING HILL GATE

*Fig 2*  
CRUSSH  
59 NOTTING HILL GATE

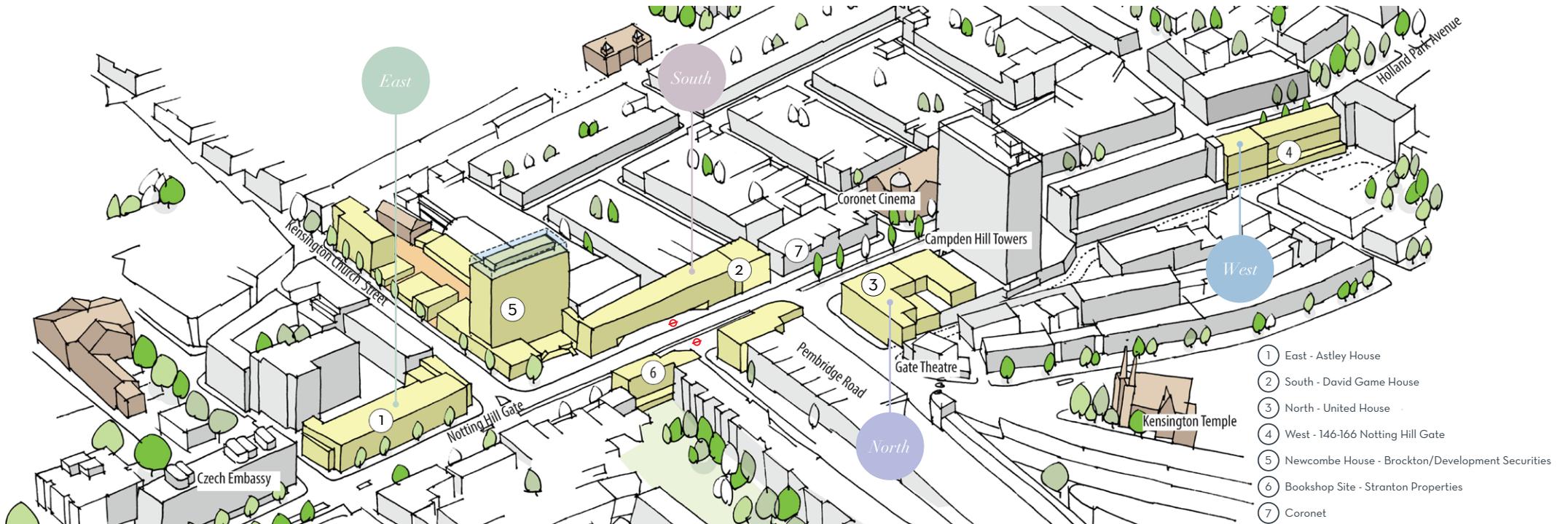
# *Asset Management* **OPPORTUNITIES**

This opportunity provides immediate, medium and long term asset management initiatives that have the potential to add significant value.

1. Consider date for vacant possession of the entire property for redevelopment and extension
2. Under utilised ancillary retail space lies at first floor level and this should be incorporated into future development plans
3. Conclude the ongoing rent review at 67 Notting Hill Gate (Pret a Manger) and/or seek to restructure their two leases
4. 47 Notting Hill Gate (Frae) lease expires in June 2015 and consideration should be made to securing vacant possession to enhance the tenant mix
5. David Game office lease is not protected and has a mutual break clause







# Development Potential & PROPOSED SCHEME

The Royal Borough of Kensington and Chelsea (RBKC) has identified Notting Hill Gate as an area of opportunity and change, with a vision to create new high quality architecture and public realm. To facilitate this, an overarching Supplementary Planning Document (SPD) has been prepared specifically for the area.

The purpose of the SPD is to promote high quality development at Notting Hill Gate and provide greater certainty to developers in the planning and delivery of key sites.

The extent of the area covered by the SPD covers the entire Notting Hill Gate Estate and includes this asset sale, South/David Game House.

The SPD suggests the addition of a single storey, which is illustrated in a Squire & Partners conceptual scheme totalling 5,274 sq ft GIA.

The existing upper floors are occupied by David Game College, which has a personal educational planning permission. On vacation of the premises, these floors would revert to B1 office use.

Any proposals for the South are encouraged to explore improved access to the Underground Station and its entrance, whilst retaining the retail at ground floor.

The pre-application discussions with RBKC pertaining to the site confirm that the addition of

a single storey would be acceptable in townscape terms provided that the detailed design protects the amenity of surrounding properties.

Furthermore, the feedback received from RBKC encourages the expansion, where possible, of the ground floor retail use given its prominence in Notting Hill Gate.

The Feasibility Study for the wider estate prepared by Squire & Partners is accessible at [www.nhge.co.uk](http://www.nhge.co.uk).



CGI provided by Squire & Partners

## VAT

The property is elected for VAT and as such VAT will be payable on the purchase price unless the property is sold by way of a Transfer of a Going Concern (TOGC).

## FURTHER INFORMATION

A dataroom containing additional detail is available at [www.nhge.co.uk](http://www.nhge.co.uk)

## PROPOSAL

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## CONTACTS

### Paul Cockburn

Central London Investment  
+44 (0) 20 7409 8788  
+44 (0) 7870 555 706  
pcockburn@savills.com

### Andrew Boyd

London Residential Development  
+44 (0) 20 7409 9993  
+44 (0) 7807 999 079  
a Boyd@savills.com

### George Gawthrop

Central London Investment  
+44 (0) 20 7409 8002  
+44 (0) 7807 999 491  
ggawthrop@savills.com



33 Margaret Street  
London W1G 0JD

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